

KIRKLAND & ELLIS LLP

AND AFFILIATED PARTNERSHIPS

Chris Koenig
To Call Writer Directly:
+1 312 862 2372
chris.koenig@kirkland.com

300 North LaSalle
Chicago, IL 60654
United States

+1 312 862 2000

www.kirkland.com

Facsimile:
+1 312 862 2200

August 1, 2023

By eFile & E-mail

Hon. Martin Glenn
Chief United States Bankruptcy Judge
United States Bankruptcy Court
Southern District of New York
One Bowling Green, Courtroom 523
New York, NY 10004-1408

Re: *In re Celsius Network LLC, No. 22-10964 (MG)* - Letter to Judge Glenn in
re: Request to Resolve Suspended Accounts Filed by Lucas Holcomb
[Docket No. 3065]

Dear Chief Judge Glenn:

This letter is a response to the letter filed on July 21, 2023 by Lucas Holcomb regarding his suspended accounts [Docket No. 3065] (the “Holcomb Letter”).

The Debtors received a request from Mr. Holcomb to remove the suspension on his accounts. After reviewing the relevant account and transaction data, the Debtors determined that Mr. Holcomb violated the Terms of Use by opening multiple accounts under his name and abusing promotional codes to activate and withdraw thousands of dollars of promotional rewards for which he was not eligible. Accordingly, the Debtors determined that Mr. Holcomb’s accounts should remain suspended until further notice.

Specifically, Mr. Holcomb opened seven accounts under his name using seven different e-mail addresses, which we will not list in a public letter, but the e-mail addresses appear related to each other (e.g., they include “celsius,” “celsius1,” “celsius2,” etc.) and/or include Mr. Holcomb’s name or initials.

The Debtors’ records reflect that Mr. Holcomb activated multiple promotional codes in these accounts, ultimately withdrawing a total of \$2,970 worth of cryptocurrency in promotional rewards (valued as of the date the rewards were allocated to the accounts). Pursuant to the Terms of Use, account holders are permitted to only have one personal account. Accordingly, Mr. Holcomb was only entitled to the promotional rewards credited to his original account,

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which totaled \$1,160. Mr. Holcomb was not entitled to receive the additional \$1,810 in promotional rewards he withdrew prepetition.

Mr. Holcomb now demands to be able to withdraw the \$2,200 in funds remaining in his Custody Accounts pursuant to the Custody Settlement—\$2,000 of these funds, however, also constitute promotional rewards credited to Mr. Holcomb’s accounts following his abuse of promotional codes.

Mr. Holcomb’s use of multiple accounts and abuse of promotional codes violate the Terms of Use. These facts alone warrant the suspension of his accounts.

Further, in addition to the seven accounts registered under his name, the Debtors believe that Mr. Holcomb controls four other accounts. These accounts are registered to “Liesel Holcomb,” and two of the e-mail addresses use Mr. Holcomb’s name or initials, similar to the seven accounts registered to Mr. Holcomb. Mr. Holcomb referred Liesel Holcomb to Celsius. All eleven accounts were registered to the same mailing address and were accessed using the same Android mobile device and the same web device. These four accounts activated multiple promotional codes, and \$3,280 in invalid promotional rewards were withdrawn. The table below summarizes the accounts that the Debtors believe belong to or are controlled by Mr. Holcomb and the amount of promotional rewards withdrawn and remaining in these accounts:

Account	Name on Account	Promotional Rewards Withdrawn	Promotional Rewards Remaining and Type of Account
1	Lucas Holcomb	\$1,160 (these rewards were valid)	--
2	Lucas Holcomb	\$1,310	--
3	Lucas Holcomb	--	\$500 in Custody \$5 in Earn
4	Lucas Holcomb	--	\$500 in Custody \$5 in Earn
5	Lucas Holcomb	--	\$500 in Custody \$5 in Earn
6	Lucas Holcomb	--	\$500 in Custody \$5 in Earn
7	Lucas Holcomb	\$500	--
8	Liesel Holcomb	\$500	--
9	Liesel Holcomb	\$1,310	--
10	Liesel Holcomb	\$810	--
11	Liesel Holcomb	\$660	--

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The Debtors shared these findings with Mr. Holcomb and explained that it appeared that he had received and withdrawn funds to which he was not entitled. Mr. Holcomb asserted that he only had seven accounts, that he had no knowledge of any other accounts, and that he had no relatives with Celsius accounts. Ultimately, when the Debtors presented Mr. Holcomb with the supporting data about the accounts under Liesel Holcomb's name and that all eleven accounts were registered to the same address, accessed from the same devices, and had similar usernames, Mr. Holcomb acknowledged that he knew Liesel Holcomb. While claiming he could be the victim of identity theft, he explained that he and Liesel Holcomb had lived at the same address and that he gave her an e-mail address of his to use.

Because of the violation of the Terms of Use evident from the above account activity, the Debtors believe that they were justified in initially suspending Mr. Holcomb's accounts and maintaining that suspension until further notice. For the avoidance of doubt, and contrary to Mr. Holcomb's assertions in his letter, the Debtors have not "essentially moved assets and/or liabilities between different individuals without them approving such transfers."¹

The Debtors believe that it would be unfair to allow Mr. Holcomb to withdraw thousands more in rewards for which he is not eligible while other account holders must wait patiently until these chapter 11 cases conclude to receive any kind of recovery.

The Debtors are amenable to removing the suspension on Mr. Holcomb's accounts if Mr. Holcomb agrees to return the thousands of dollars in illegitimately obtained promotional rewards.

The Debtors are aware that other accounts have been suspended for similar violations of the Terms of Use. The Debtors have been responsive to individual account holders who have contacted them with questions about their suspensions and are addressing these issues on a case-by-case basis.

Sincerely,

/s/ Christopher S. Koenig

Christopher S. Koenig
Kirkland & Ellis LLP
Counsel to the Debtors

¹ Holcomb Letter at 1.

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cc: Mr. Lucas Holcomb
Pro Se creditor

Mr. Aaron Colodny
White & Case LLP
Counsel to the Official Committee of Unsecured Creditors